



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Waterbury Hospital

Docket Number: 06-30835-WVR

Project Title: Request to Waive CON Requirements for the Replacement of an Existing CT Scanner

Statutory Reference: Section 19a-639c of the Connecticut General Statutes as amended by Public Act 06-28, Section 5

Filing Date: September 27, 2006

Hearing: Waived

Decision Date: October 12, 2006

Staff: Paolo Fiducia

Project Description: Waterbury Hospital (“Hospital”) requests a waiver of Certificate of Need requirements for replacement equipment in order to replace its thirteen years old existing computed tomography scanner, at a total capital cost of \$1,288,139.

Nature of Proceedings: On September 27, 2006, the Office of Health Care Access (“OHCA”) received the waiver of Certificate of Need (“CON”) requirements request for replacement equipment from Waterbury Hospital (“Hospital”). The Hospital proposes to replace its thirteen years old existing computed tomography (“CT”) scanner, at a total capital cost of \$1,288,139. The Hospital is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

OHCA’s authority to review and approve, modify or deny the requested waiver of CON requirements for replacement equipment is established by Section 19a-639c of the C.G.S., as amended by Public Act 06-28, Section 5. The provisions of this section as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

1. Waterbury Hospital (“Hospital”), whose main campus is located at 64 Robbins Street, Waterbury, Connecticut, is an acute care general hospital. *(September 27, 2006 Letter of Intent Waiver Form 2030, page 1)*
2. On April 15, 1993, under Docket Number: 92-572, the Hospital was authorized to replace the existing CT scanner with a GE Hispeed Single Slice CT scanner, at a total capital expenditure of \$1,164,805 pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”) *(April 15, 1993, OHCA Docket Number 92-572, Agreed Settlement)*
3. The Hospital is requesting a waiver of CON requirements in order to replace its existing General Electric HiSpeed Single Slice CT scanner with a General Electric Light Speed 32- Slice MDCT scanner. The total capital expenditure associated with the project is \$1,288,139. *(September 27, 2006 Letter of Intent Waiver Form 2030, page 2)*
4. Pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S”), as amended by Public Act 06-28, Section 5, a proposal may be eligible for a waiver of replacement equipment from the CON process when a provider has previously received Certificate of Need authorization from OHCA for the equipment to be replaced and when the cost or value of the replacement equipment will not exceed \$3 million. *(Public Act 06-28, Section 5, amending Section 19a-639c, C.G.S., effective July 1, 2006)*
5. The General Electric single-slice Hispeed CT scanner is thirteen years old and lacks the functional capability to perform the routine diagnostic testing required of a community hospital. In addition, the Hospital stated that the proposed multi-slice CT scanner will improve access to advanced diagnostic capabilities, newer procedures and newer techniques. *(September 27, 2006, Letter of Intent/Waiver Form 2030, page 5)*
6. The total capital expenditure for the proposal is \$1,288,139, which includes \$1,228,139 for the purchase of the CT scanner, and \$60,000 for building renovations necessary to accommodate the replacement scanner. *(September 27, 2006, Letter of Intent/Waiver Form 2030, page 3)*
7. The Hospital stated that the proposed 32-slice CT scanner will give clinicians the ability to perform advanced procedures and techniques, produce superior image quality and improve scanning times and productivity. *(September 27, 2006, Letter of Intent/Waiver Form 2030, page 5)*
8. The total capital cost of \$1,288,139 for the replacement CT scanner unit is below the \$3 million threshold for determining eligibility for waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(September 27, 2006 Letter of Intent Waiver Form 2030, page 2)*
9. The Hospital will use equity from operations to acquire the CT scanner. *(September 27, 2006 Letter of Intent Waiver Form 2030, page 3)*
10. The Hospital intends to begin operating the replacement scanner December 1, 2006. *(September 27, 2006 Letter of Intent Waiver Form 2030, page 2)*

11. The replacement CT scanner will serve the Hospital's existing patient population.
(September 27, 2006 Letter of Intent Waiver Form 2030, page 4)

Rationale

Waterbury Hospital (“Hospital”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment, pursuant to Section 19a-639c, of the C.G.S., as amended by Public Act 06-28, Section 5. The Hospital is seeking to replace one of its existing CT Scanner at a total capital expenditure of \$1,288,139. The proposed General Electric LightSpeed 32-Slice MDCT Scanner would replace the Hospital’s existing General Electric single-slice Hispeed CT Scanner. On April 15, 1993, under Docket Number: 92-572, the Hospital was authorized to replace the existing CT scanner. The existing CT Scanner is thirteen years old and has reached its useful life.

The total capital cost for the replacement CT Scanner is \$1,288,139. The Hospital will use operating equity to acquire the proposed replacement CT Scanner. The total capital cost of \$1,288,139 for the replacement CT scanner unit is below the \$3 million threshold for determining eligibility for waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. as amended by Public Act 06-28, Section 5.

Based on the foregoing Findings and Rationale, OHCA has determined that Waterbury Hospital’s request for a waiver of CON requirements for replacement equipment in order to replace one of its existing CT Scanner with a LightSpeed 32-Slice MDCT Scanner, at a total capital cost of \$1,288,139, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. as amended by Public Act 06-28, Section 5, and is hereby GRANTED.

Order

Waterbury Hospital (“Hospital”) is hereby authorized to replace its thirteen years old existing CT Scanner, at a total capital cost of \$1,288,139, subject to the following conditions:

1. This authorization shall expire on October 12, 2007. Should the Hospital’s CT Scanner replacement project not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Hospital shall not exceed the approved capital cost of \$1,288,139. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised CON project budget.
3. The Hospital shall notify OHCA in writing of the initial date of the operation of the replacement CT scanner including make and model # by no later than one month after it becomes operational.
4. This authorization requires the removal of the Hospital’s existing General Electric Single-Slice Hispeed CT Scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital’s Connecticut service locations. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the existing CT Scanner to be replaced by no later than six months after the replacement General Electric LighSpeed 32-Slice MDCT Scanner has become operational.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Office of Health Care Access

October 12, 2006

Signed by Cristine A. Vogel
Commissioner

CAV:pf